VBA Blockchain Legislation Team:
Summary of Blockchain-Related Legislative Efforts for purposes of
Hearing for House Committee on Commerce and Economic Development on
Wednesday, January 24, 2018

Enabling Legislation			
Activity	**VT Law Status**	**Proposed Legislative Action**	**Desired Outcome**
Enable corporations and LLCs to keep organization records on distributed ledger	Already Available	To propose clarifications based on recent revision to Delaware law to confirm that VT corporations and LLCs can keep organizational records on a distributed ledger.	Such a change does not require any change to record keeping by existing corporations and LLCs but provides certainty for any company that would like to use the blockchain for this purpose. We believe that enacting this legislation will enable VT to be viewed as a more blockchain-friendly corporate jurisdiction than surrounding states.
Enable Secretary of State to create ability to register corporations and LLCs distributed ledger	Nothing to restrict or prohibit this.	[Delaware enacted language to make it clear that registry may be relied on for legal opinions.]	
Enable Town Clerks to put land records on distributed ledger	Some authority to maintain records electronically	Addition to S.269: to propose clarifications to confirm that land records can be kept on a distributed ledger.	Encourage the use of distributed ledger technology for the benefit of towns and others active in real estate, and potentially encourage companies active in this area to locate operations here.
Enable State Agencies and Departments to maintain records electronically and on a distributed ledger	Obligation to maintain records through a program approved by Vermont archives administration	Addition to S.269: to confirm that records can be kept electronically and through a distributed ledger.	Encourage the use of appropriate technology including distributed ledger technology.

Attract Blockchain services businesses and virtual currency businesses		Addition to S.269: "Blockchain-Based LLC" (formerly Virtual Currency LLC).	Many blockchain projects exist largely as a loose network of independent operators, which raises concerns for participants with regard to personal liability for any liabilities of the project or business.

Modifying the VT LLC provisions to encourage the use of a VT LLC may encourage some of these projects to organize their businesses here and we would propose requiring that they maintain some form of presence in the state. |
| Attract data management companies | Trust companies are allowed but not those devoted to data management | Revision of S.269: Personal Identity and Information Trust Companies to allow trust companies to engage in a wider array of data management activity | This would authorize the creation and licensing of a new type of trust company, subject to the control and oversight of the Vermont Department of Financial Regulation, that may be increasingly attractive because of data management and identity issues that can be addressed through distributed ledger technology. |
| Boost Vermont Captive Insurance Industry | | Addition of Series LLCs.

Possibly express enabling legislation stating that Captive Insurance Companies can keep corporate records on a distributed ledger maintained by the Vermont Secretary of State. | Find ways to distinguish Vermont as a favored situs for formation of new captives. |

Attract Internet of Things-related businesses		Revision of S.269: Autonomous Agent LLC, including revisions of LLC act to enable Series LLCs	No other state has yet created a safe harbor against liability for the directors, officers and owners of companies whose principal business purpose is to deploy an autonomous agent. Vermont could be a first mover and attract businesses that are looking for this protection.
Protective Legislation			
Consumer Protection	Nonexistent	S.269 proposes a study committee.	
Reg Tech	Nonexistent	S.269 proposes a study committee.	
Money Transmitter		Analyze changes, if any, needed for the money transmitter law to apply, and explore ways to eliminate unnecessary barriers, if they exist.	